



Indiana Deferred Compensation Committee

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MINUTES PUBLIC MEETING TUESDAY, SEPTEMBER 7, 2004 1:00 PM INDIANA GOVERNMENT CENTER SOUTH TRAINING ROOM 2

I. Call to Order

The meeting was called to order by Jeff Heinzmann

II Roll Call

Members Present: Marilyn Schultz, Jeff Heinzmann, Betsy Burdick, Judy Rhodes, and John Lentz.

III. Reading of the Minutes

Committee adopted and approved revised minutes for the May 19, 2004 meeting, including letter sent by ING to participants dated April 30, 2004. Minutes for the August 25, 2004 meeting were not yet available, and will be submitted for approval at the November 18, 2004 meeting.

IV. Secretary's Report

Jeff Heinzmann distributed the copies of the annual report to the State Board of Finance to the Committee members. He also notified the Committee that Portage Township in Porter County (457) and Indiana Pension Systems, Inc. (457/401(a)) have adopted the plan.

V. Administrator's Report

Auditor Nass reported that 6 proposals were received to the Administrative Services RFP and that the process of evaluating the proposals is underway.

VI. Report re Indiana Stable Value Fund

John Finnegan of Delaware Investments Advisors presented the quarterly Indiana Stable Value Fund report to the Committee.

VII. Report of Mellon Consultants

Don Eibsen presented the Committee with the Mellon quarterly report detailing the performance of the funds. Jeff Heinzmann noted that the number of total participants should be 30,107 instead of the 53,446 referred to in the report.

Mellon reported that the New Jersey Attorney General has dismissed charges against PIMCO. As previously discussed at a prior meeting, AllianceBernstien Growth and Income will be removed from the "Watch List".

Recommendations were made by Mellon to change the allocation of assets in the moderate and aggressive lifestyle portfolio. On behalf of ING, Lesa Williamson responded by pointing out that back testing had not proven any changes necessary or significant. Don Eibson conceded that the need the changes proposed are merely "tinkering" and that the committee would not be shirking fiduciary responsibility by delaying a decision. No action was taken on the issue of lifestyle portfolio allocation.

At the conclusion of Don Eibsen's report Betsy Burdick moved to add the American Advantage Small Cap Value Fund to the plans' investment options. Judy Rhodes asked if decision was necessary to be made today. Jeff responded that the decision should be made promptly not because of demand, but simply to fill a hole that new participants can utilize, as well as because the information upon which the decision is based is time-sensitive. Marilyn second the motion and the motioned passed unanimously.

VIII. Report of the Third Party Administrator

Lesa Williamson and Patrick Tamm addressed the Committee on behalf of ING. Lesa Williamson discussed past and upcoming share class and fund changes: February 1, 2005 will be the date the American Advantage Small Cap Value Fund is added as an investment option. Participants in the Fidelity International Growth and Income Fund will be given until December 1 to make their own selection or their holdings in that Fund will be mapped to the Fidelity Diversified International Fund.

As of December 1 the Domini Social Equity Fund will be changed to R Class shares.

Patrick Tamm provided a briefing to the Committee concerning the issue of ING's 10-K filing and the recent media coverage of matters reported in the filing. There were no questions. Jeff Heinzmann pointed out that the letter sent to all participants was attached to last quarter's meeting minutes, allowing all Committee members to have a copy.

IX. Report of Counsel

Mary Beth Braitman presented formal plan amendments; the IRS changes issues are:

- Excess Deferrals
- Emergency Withdrawals
- Transfer 457 plans (in from out of state, etc.)
- Plan Terminations
- Frozen Plans
- Increased Access to Roll Over Accounts
- Employer Definition Cleaned Up
- Beneficiary Designation

When forms are sent to Committee members to be signed there will be a chart attached to clarify all changes before signing off. Counsel also emphasized her availability to answer any questions that may arise prior to signature.

X. Old Business

None.

XI. New Business

The Committee scheduled the first quarter meeting date of February 18, 2005. Time will be determined at fourth quarter meeting, to be held on November 18, 2004 at 10:00 AM EST.

XII. Adjournment

Jeff Heinzmann adjourned the meeting.